

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Kenya

Post: Nairobi

Soybean Products Market

Report Categories:

Product Brief

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Report Highlights:

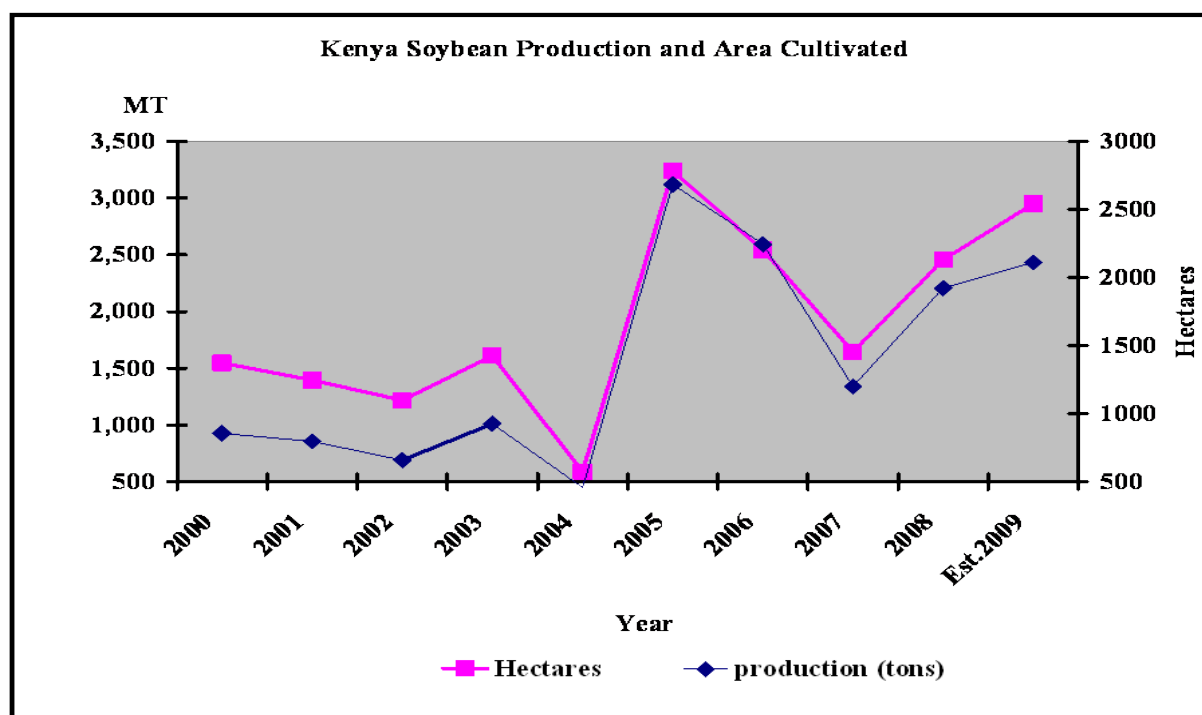
Kenyans consume very few soy-based products to supplement their diets. Animal feed manufacturers, however, provide best opportunities for U.S. soybean products in this small but growing market.

General Information:

Production

Annual production of soybean in the last five years (2004-2008) averaged 1,702 metric tons; however, Kenyan farmers expect to produce only over 2,100 metric tons during calendar year 2009. Black hawk and Duiker soybean varieties grow in Kenya.

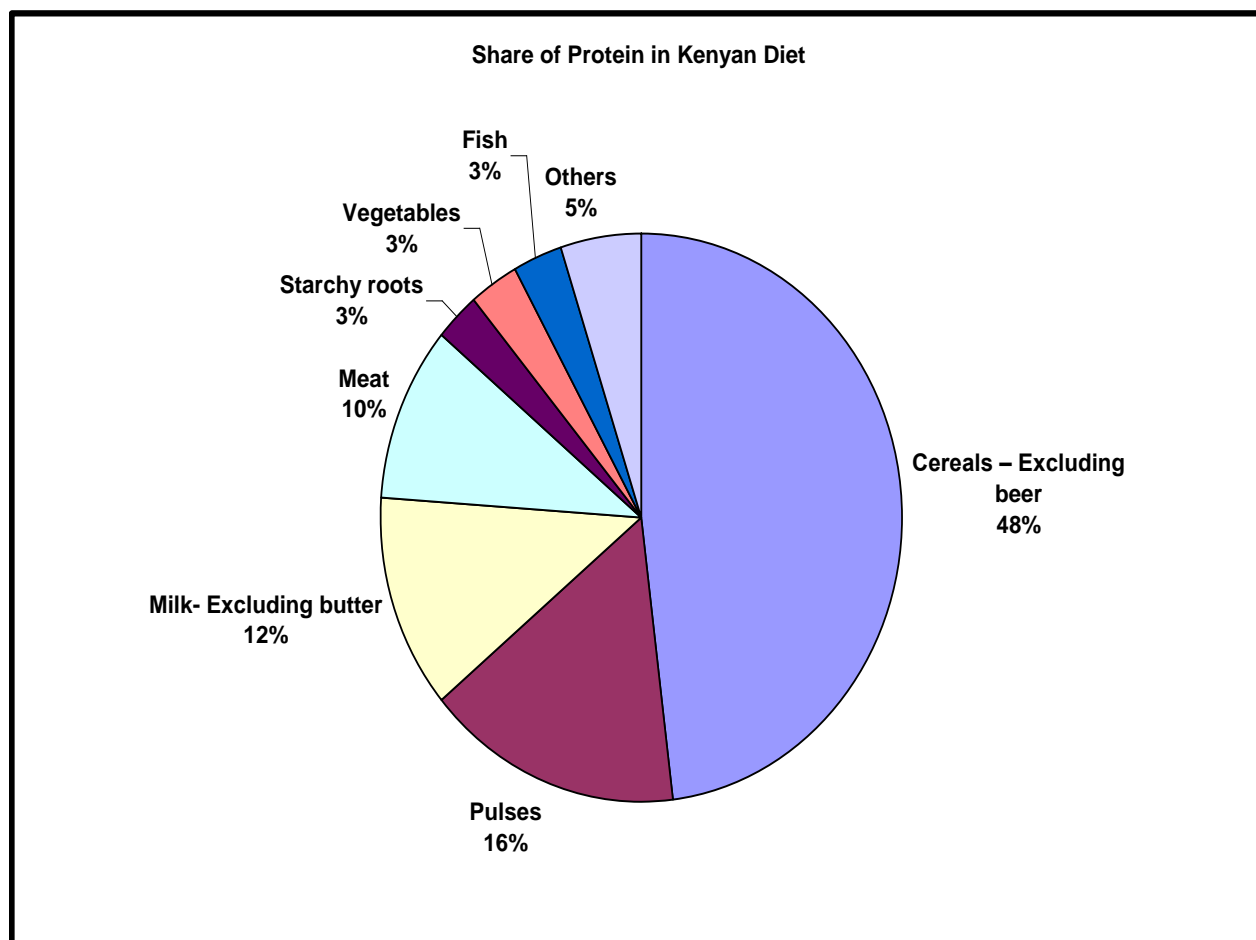
Soybean still remains a minor crop largely due to low adoption and uptake of new technology, attributed to lack of awareness on processing and utilization, low yield (estimated at 0.6 ton/ha in East Africa), limited access to market and policy support. However, Kenya's Ministry of Agriculture has conceptualized a strategy to develop soybean subsector in the next five years (2009-2014).



Sources: Kenya's Ministry of Agriculture and FAS/Nairobi projections

Consumption

Soybean for human consumption, while increasing, remains very low compared to alternative protein sources (meat, fish, eggs, etc.) in Kenya. Limited awareness for health benefits, nutritional value and consumers' misperceptions (soybean is not delicious; soybean is for children; and soybean is not easy to cook) have contributed to the low consumption. In contrast, industrial demand for soybean products continues to grow.



Source: FAO

Trade

Annually, Kenya imports over 100,000 metric tons of soybean meal and about 150 metric tons of soy protein concentrates, and textured soy protein from China.

Soybean and Soy Products Imports, 2002-2007

| | US Dollars | | | | | |
|--|------------|------------|-----------|-----------|-----------|------------|
| Soybean Products | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| Soybeans | 188,271 | 301,507 | 1,971,976 | 2,742,418 | 2,754,713 | 12,312,297 |
| Crude Soybean Oil | 3,880,034 | 12,892,530 | 2,651,134 | 935,495 | 4,005,174 | 6,608,435 |
| Refined Soybean Oil | 1,263 | 1,771 | 3,589 | 199,244 | 624,591 | 2,756 |
| Soya Bean Flour and Meals | 38,249 | 10,452 | 504,325 | 1,564,878 | 800,453 | 4,873,143 |
| Soya-Bean Oil-cake and other residues | 2,127,989 | 1,786,005 | 1,388,407 | 1,545,833 | 1,211,548 | 1,552,172 |
| Protein Concentrates & Textured Protein Substances | 339,076 | 202,021 | 472,592 | 671,114 | 577,758 | 583,577 |

Sources: Global Trade Atlas

Market Opportunities

Opportunities exist for soybean products as food ingredients, soybeans for crushing (vegetable oil and meal), and consumer-ready processed products.

Leading soy processors use soy ingredients to produce fortified cereal soya composites such as corn-soy blend, unimix, soy flours, and formulations for children, elderly, and HIV/AIDS patients. Use of soy protein isolates as meat extender in processed meats such as sausages has rapidly increased in recent years. China supplies over 50 percent of the soy protein imports, followed by South Africa, the United States, and the United Kingdom.

Following market development activities by the American Soybean Association's World Initiative for Soy in Human Health (WISHH), some processors and distributors have shown strong interest in U.S. value-added soy products.

Policy

Government and trade block policies favor importation of crude vegetable oil, as opposed to oilseeds to protect the refining industry. All imported agricultural products are subject to East Africa Community's common external tariff. Soybeans and soybean products ad-valorem tariffs range from zero (0) for crude soybean oil to 25 percent for processed soy-based products. In addition, importers must pay an import declaration fee of 2.25 percent on the CIF value, and a 16 percent value added tax on processed products.

| Item/Purpose | Tariff Rate |
|---|-------------|
| Crude soybean oil, whether or not degummed | 0% |
| Soybeans | 10% |
| Soybean Flour and Meals | 10% |
| Refined soybean oil for industrial use | 10% |
| Refined soybean oil for food/home use | 25% |
| All other processed soy products – soymilk, soy sauces, infant formulas, soybean curd (tofu), soya lecithin granules, soy drinks etc. | 25% |

Source: East Africa Community Tariff Book

For information to target the Kenyan market, please contact :

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